



**HARMONY PROJECT PHOENIX
SOCIAL ECONOMIC IMPACT and
RETURN ON INVESTMENT ANALYSIS**

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ABOUT THE HARMONY PROJECT

The Harmony Project is a registered nonprofit organization founded and based in Los Angeles, California, that provides free music instruction and instruments to youth in underserved communities in LA and around the country. Programming consists of year-round music lessons, orchestra and ensemble participation, and a peer mentorship program. Harmony Project currently serves over 2,000 students in the Los Angeles area, and expanded in 2011 with its first affiliate program, Harmony Project of Ventura County.

Harmony Project Affiliates have launched in Ventura CA, New Orleans LA, Tulsa OK, Kansas City MO, East St. Louis IL, **Phoenix AZ**, San Francisco CA, Hudson NY and Riverside CA. In 2015 Harmony Project's founding program in Los Angeles launched Harmony Project of America as a national initiative tasked with bringing Harmony Project's model of Mentoring Through Music to national scale.

The program was developed using cutting-edge arts education research to maximize the positive, long-term effects of music engagement, including increased focus, academic success, and cognitive ability. More than 17 years of research confirms that children who engage in music learn to think creatively and critically. As a result, they perform better in school, and are more likely to attend college and attain success in adulthood.

Since 2016 Harmony Project students who have participated in the program for a minimum of three years—all from low-income homes—have achieved an average college acceptance rate of over 90%, with 50% being accepted into high value STEM majors.

The Harmony Project has been recognized as one of the most effective arts-based, youth development programs in the nation.

HARMONY PROJECT PHOENIX

Harmony Project Phoenix, established in 2018, continues the evidence-based afterschool mentoring program geared toward K-12 students that uses music as a means for positive youth development and social inclusion.

Harmony Project Phoenix has also established a partnership with Arizona State University to provide year-round counseling and bilingual workshops to help the

Harmony Project students graduate and meet college entrance qualifications and provides assistance in completing college and financial aid applications.

The documented results of the Harmony Project Phoenix have exceeded the overall Harmony Project national statistics. Since 2018, 100% of the students who have participated in the program for at least three years have entered college as the first generation of their families. This number is 48% higher than the Arizona college-going rate as reported by the Arizona Board of Regents.

THE SOCIAL RETURN ON FUNDING INVESTMENT ANALYSIS

The Harmony Project Phoenix has retained Community Services Analysis LLC to perform an economic impact analysis to measure the total social value economic impact and SROI (Social Return on Investment) of the results of the services delivered. This analysis covered the impacts of the students who attended the program during the 2021 – 2022 school year. The number of students who graduated from the program during this school year were used as the basis for these economic impact projections.

This study examined the social value of these services both in terms of immediate value to parties and the long-term consequential value to the community as a whole. These long-term benefits are substantial and include:

- *Increased levels of income resulting from higher attained levels of education;*
- *savings in community support costs;*
- *reductions in community medical care costs;*
- *savings in housing and support costs for homeless families; and,*
- *savings in community law enforcement, court systems, and other government agency costs.*

The combined immediate and long-term value is then compared to the total money invested in the Harmony Project Phoenix during the year 2022, resulting in a measurement of the Social Return on Investment (SROI).

THE SUMMARY RESULTS

The long-term social economic impact analysis of the consequential outcomes of the Harmony Project Phoenix services shows a 10-year projected net impact of \$1,382,000, of which 85% is composed of increased employment earning when compared to high school students who do not complete a Bachelor's degree by attending college. For detailed information on these amounts and calculations, see the following Social Value Impact Map and accompanying Valuation Schedules.

The total funding amount for the Harmony Project Phoenix activities for the 2021-2022 school year was \$ 283,000.

The long-term consequential Social Return on Investment delivered by Harmony Project Phoenix was 489%. For every dollar of funding received, the program delivered \$4.89 in current (discounted Net Present Value) of positive economic benefits to the community.

WHAT IS SOCIAL ECONOMIC IMPACT and SOCIAL RETURN ON INVESTMENT?

In normal financial analysis, Return on Investment is the ratio of money gained or lost relative to the money invested. In social service organizations, Social Return on Investment measures the financial value created by the organization through delivery of services to the community.

These include both short-term direct economic impacts (employment, immediate cost savings or increased revenues, etc. and longer-term consequential economic impacts resulting from factors such as educational benefits, economic growth, community support cost savings, legal and law enforcement cost savings, public benefits changes, and others.

Social Return on Investment (SROI) is an approach to measuring and understanding the total economic impact of a social services organization. While SROI is built on the logic of cost/benefit analysis, it is different in that it measures the comparable value of organizations whose results cannot be easily measured in money. In the same way that a business plan contains more information than simply financial projections, SROI provides information about actual and long-term results of services, and the qualitative, quantitative, and financial information on which to base decisions about the delivery of social services by organizations.

SROI analysis has been developing since the 1960's. The SROI process has become more fully developed during the last decade, primarily based on a detailed multi-year study conducted by Social Value International, The New Economics Foundation, New Philanthropy Capital, the National Council on Voluntary Organization, and the Government of Scotland.

Many additional organizations are continually contributing to the SROI body of knowledge, including the Global Impact Investing Network, the International Financial Reporting Standards Foundation, the Global Reporting Initiative, and the United Nations Organization for Economic Cooperation and Development.

There are two separate phases of SROI:

Phase 1 is the measurement of the value delivered to the community by the services currently being delivered by the organization (the “**Outputs**”). The most accurate and understandable measurement basis for these outputs is the Fair Market Value of the services being delivered - what it would cost the community to acquire the same services that a social service provider delivers if that provider did not exist - plus the value of benefits received during the immediate period under study. This result is a measurement of the comparative efficiency of the organization in delivering or providing the services.

Phase 2 is the measurement of the long-term value of the results of these output services delivered - known as the “**Outcomes**”. These measurements may take years to realize. For example, people with disabilities who receive training on independent living skills and how to more fully integrate within the community require significantly less financial support from the community over the course of their lives.

By way of another example, people who receive assistance in finding and retaining employment require less future financial support from their communities, plus their future demands on the law enforcement and legal systems are less, their future needs for community-based medical assistance are less, and their future tax payments are greater.

A SROI analysis can fulfill a range of purposes. It can be used as a tool for strategic planning, as a basis for funding and investment decisions, as a basis for communicating impact and financial results to stakeholders, and as a methodology for comparative evaluation of an organization’s long-term effectiveness.

While not the only basis for funding and investment decisions, the SROI results provide the most accurate and comprehensible answer to three of the important questions asked by funding decision makers:

- **What are the long-term economic impacts from these services?**
- **What are the financial benefits we receive for our funding?**
- **What is the measurable “bang for the buck”?**

The History of Social Return on Investment and the Development of An Internationally Standardized Valuation Methodology

Social Return on Investment has existed as a conceptual research area for over 60 years.

- The First True Comprehensive Social Economic Impact Measurement Process:
 - The Government of Scotland – 1990’s. The results:
 - Development of a Standardized Methodology:
 - The establishment of the SROI Network
 - Release of the initial SROI Methodology paper 2001
 - Release of the first SROI Methodology Framework draft 2004
 - Release of finalized SROI Methodology Framework 2005
 - Measuring Value – 2 Edition Published 2008
 - Updated SROI Methodology Framework 2012
 - Consolidation of the SROI Network and Social Industry Analysts Association into Social Value International 2014

- Updated SROI Methodology Framework 2017

- Full Updated Methodology Framework is scheduled for release in 2022.

- Currently, the SROI International economic impact/social return on investment model is the internationally accepted and accredited standard in over thirty countries including the U.K., Canada, France, Japan, Russia, Australia, Italy, Sweden, South Africa, and many others.

- Social Value – United States is the U.S. Affiliate of Social Value International.

ABOUT COMMUNITY SERVICES ANALYSIS LLC

Community Services Analysis LLC (CSACO) is a leading provider of Social Return on Investment Analysis in the United States. Since 2007, CSACO has completed over 300 Social Economic Impact and SROI studies for individual organizations, social services membership associations, and local and state governmental agencies around the country, including such clients as the State of Pennsylvania Department of Education, the State of California Department of Rehabilitation, the City of Philadelphia, United Way, United Cerebral Palsy, Habitat for Humanity, the State of Arizona Library and Public Archives, IEEE (the Institute of Electrical and Electronic Engineers) Humanitarian Foundation, the Community Investment Corporation, multiple educational institutions, and over 250 Civil Legal Aid organizations nationwide,.

CSACO was the first organization in the United States to be a member of The SROI Network (now Social Value International), the international Social Return on Investment standards and accreditation organization, and has been recognized by many national social services organizations such as ANCOR (*the American Network of Community Options and Resources*), ACCSES (*the American Congress of Community Support and Employment Services*), NFSN (*the National Family Support Network*), and NLADA (*the National Legal Aid and Defender Association*). CSACO is also a founding board member of Social Value – United States and is a member of the American Evaluation Association.

In 2013, following a detailed analysis of multiple Cost Benefit/Return on Investment methodologies and providers, the National Legal Aid and Defender Association selected CSACO as their exclusive SROI analysis national partner.

In 2018, CSACO was named the national economic impact analysis partner for the National Family Support Network.

John Byrnes (Founder and Principal of CSACO) has also been named the Evaluation Expert of the Year for 2021 in Finance Monthly's annual Global Awards.

**HARMONY PROJECT PHOENIX
SOCIAL RETURN ON INVESTMENT IMPACT MAP**

REVENUES FOR 2022

Source:	Amount:
Community Music Project	\$56,164
Donations	\$82,447
Grants	\$144,344
TOTAL FUNDING	\$282,955

**HARMONY PROJECT PHOENIX
SOCIAL RETURN ON INVESTMENT IMPACT MAP**

GROSS DIRECT and CONSEQUENTIAL IMPACTS

Description	SOCIAL VALUE GROSS IMPACTS
Consequential Impacts: Education (See Valuation Schedule 1)	\$2,033,070
Consequential Impacts: Community Support (See Valuation Schedule 2)	\$124,800
Consequential Impacts: Health Care (See Valuation Schedule 3)	\$62,400
Consequential Impacts: Law Enforcement (See Valuation Schedule 4)	\$0
Consequential Impacts: Housing (See Valuation Schedule 5)	\$70,200
TOTAL GROSS SOCIAL ECONOMIC IMPACTS	\$2,290,470

**HARMONY PROJECT PHOENIX
SOCIAL RETURN ON INVESTMENT IMPACT MAP**

VALUATION NEGATIVE IMPACTS

Description of Change	Deadweight	Attribution	Drop-off	Replacement
Consequential Impacts: Education	10%	10%	12%	0%
Consequential Impacts: Community Support	0%	10%	10%	0%
Consequential Impacts: Health Care	0%	10%	10%	0%
Consequential Impacts: Law Enforcement	0%	0%	0%	0%
Consequential Impacts: Housing	0%	5%	3%	0%
Total by Factor	10%	35%	35%	0%

**HARMONY PROJECT PHOENIX
SOCIAL RETURN ON INVESTMENT IMPACT MAP**

Description of Change	TOTAL NET IMPACT
Community Education Economic Impacts <i>Note: Net Present Value of 10 year weekly annuity</i>	\$1,168,202
Consequential Impacts: Community Support	\$99,840
Consequential Impacts: Health Care	\$49,920
Community Law Enforcement Economic Impacts	\$0
Community Housing Economic Impacts	\$64,584
TOTAL NET LONG-TERM CONSEQUENTIAL SOCIAL ECONOMIC IMPACTS	\$1,382,546
TOTAL FUNDING FOR 2022	\$282,955
TOTAL 10-YEAR CONSEQUENTIAL SOCIAL RETURN ON INVESTMENT FOR THE YEAR 2022	489%

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

SERVICE CATEGORY

Consequential Long-Term Economic Impacts:
Educational Impacts

CONSEQUENTIAL SOCIAL VALUE EFFECTS

Community Education Increased Income Impacts

BASIS REFERENCE

A

VALUATION

\$399/week

SOCIAL EFFECT TERM

10 Years

BASIS FOR VALUATION

A. Bureau of Labor Statistics 'Measuring the Value of Education) 2018
(Median weekly earnings of Bachelors degree vs "Some College, No Degree)
educational attainment.

CONSEQUENTIAL SOCIAL VALUE EFFECTS	VALUATION PER GRADUATE	EFFECTIVE NUMBER OF ADDITIONAL GRADUATES	TOTAL CONSEQUENTIAL SOCIAL VALUE
Community Education Impacts <i>Gross amounts after Net Present Value discounting</i>	\$156,390	13	\$2,033,070
Total GROSS Consequential Impact			\$2,033,070

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

SERVICE CATEGORY

**Consequential Long-Term Economic Impacts:
Community Social Support Costs**

DIRECT COST IMPACTS

BASIS REFERENCE	VALUATION	SOCIAL EFFECT TERM
A	\$200/month	60 Months

BASIS FOR VALUATION

A. Average value of Arizona social support costs needed (25% of matters).
Survey of local physician's estimated visits increases and medical costs times estimated 25% of incidence; extended period due to more complex issues

DIRECT SOCIAL SUPPORT COST IMPACTS	COST PER MONTH	QTY OF STUDENTS	TERM (months)	DIRECT IMPACT
	\$200	13	48	\$124,800
Total GROSS Direct impacts				\$124,800

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

Negative Impact Factors:	Negative Factor Valuation Basis	Percentage
Deadweight		
<i>Deadweight is defined as the likelihood of an outcome occurring regardless of the activity.</i>	Based on individual case analysis results for previous project concerning Enhanced Kinship Services in California (2017) plus consultation with geographically separate court-appointed specialist attorneys in Alabama, Arizona, Colorado, and Texas .	0%
Attribution		
<i>Attribution in the percentage of outcome results that are achieved through the efforts of other sources.</i>	Projected values based on family, religious organization, change in family composition, or other social factors.	0%
Drop-Off		
<i>Drop-off is the percentage impact of outside actions that prevent the long-term community economic impact from being fully realized (i.e. death, moving out of state, running away, or the failure of the outcome).</i>	Combination of statistical analysis summary of Louisiana factors in multiple areas.	0%
Replacement		
<i>Replacement is the amount of impact of existing efforts that will be affected by the new program efforts.</i>	There is no projected replacement impact as Legal Aid organizations always have more demands for services than can be delivered.	0%

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

SERVICE CATEGORY

**Consequential Long-Term Economic Impacts:
Community Health Costs**

CONSEQUENTIAL SOCIAL VALUE EFFECTS

Community Health Costs
Community Support Costs
Community Law Enforcement Costs
Community Taxation Revenue Effects
Community Property Valuation Effects

BASIS REFERENCE	VALUATION	SOCIAL EFFECT TERM
A	\$100/mo.	4 Years

BASIS FOR VALUATION

A. Increased costs of medical services to families resulting from increased levels of family stress.

Source: Journal of the American Medical Association - Spending on Children's Personal Health Care in the United States 1996-2013 plus local area confirmation based on survey of local physician's estimated visits increases and medical costs times estimated 25% incident rate.

Note: This cost increase does not reflect medical expenses to Medicaid and other sources from conditions that would have normally occurred otherwise.

CONSEQUENTIAL SOCIAL VALUE EFFECTS	QUANTITY	VALUATION	SOCIAL EFFECT TERM	TOTAL CONSEQUENTIAL SOCIAL VALUE
Community Health Costs	13	\$100/month	48 months	\$62,400
Total GROSS Consequential Impact				\$62,400

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

Negative Impact Factors:	Negative Factor Valuation Basis	Percentage
<p>Deadweight</p> <p><i>Deadweight is defined as the likelihood of an outcome occurring regardless of the activity.</i></p>	<p>Based on individual case analysis results for previous project concerning Enhanced Kinship Services in California (2017) plus consultation with two geographically separate court-appointed specialist attorneys.</p>	0%
<p>Attribution</p> <p><i>Attribution in the percentage of outcome results that are achieved through the efforts of other sources.</i></p>	<p>Projected values based on family, religious organization, change in family composition, or other social factors.</p>	0%
<p>Drop-Off</p> <p><i>Drop-off is the percentage impact of outside actions that prevent the long-term community economic impact from being fully realized (i.e. death, moving out of state, running away, or the failure of the outcome).</i></p>	<p>Combination of statistical analysis summary of Louisiana factors in multiple areas.</p>	3%
<p>Replacement</p> <p><i>Replacement is the amount of impact of existing efforts that will be affected by the new program efforts.</i></p>	<p>There is no projected replacement impact as Legal Aid organizations always have more demands for services than can be delivered.</p>	0%

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

SERVICE CATEGORY

**Consequential Long-Term Economic Impacts:
Community Law Enforcement Costs**

CONSEQUENTIAL SOCIAL VALUE EFFECTS

Community Law Enforcement Costs

BASIS REFERENCE

A

VALUATION

SOCIAL EFFECT TERM

Lifetime

BASIS FOR VALUATION

A. No accurate causal effect of Harmony Project services on law enforcement involvement can be established at this time. Further research may show statistically valid relationships.

CONSEQUENTIAL SOCIAL VALUE EFFECTS	Quantity	Valuation	SOCIAL EFFECT TERM	TOTAL CONSEQUENTIAL SOCIAL VALUE
Community Law Enforcement Costs		N/A		\$0
Total GROSS Consequential Impact				\$0

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

Negative Impact Factors:	Negative Factor Valuation Basis	Percentage
<p>Deadweight</p> <p><i>Deadweight is defined as the likelihood of an outcome occurring regardless of the activity.</i></p>	<p>Based on individual case analysis results for previous project concerning Enhanced Kinship Services in California (2017) plus consultation with two geographically separate court-appointed specialist attorneys.</p>	0%
<p>Attribution</p> <p><i>Attribution in the percentage of outcome results that are achieved through the efforts of other sources.</i></p>	<p>Projected values based on family, religious organization, change in family composition, or other social factors.</p>	0%
<p>Drop-Off</p> <p><i>Drop-off is the percentage impact of outside actions that prevent the long-term community economic impact from being fully realized (i.e. death, moving out of state, running away, or the failure of the outcome).</i></p>	<p>Combination of statistical analysis summary of Louisiana factors in multiple areas.</p>	3%
<p>Replacement</p> <p><i>Replacement is the amount of impact of existing efforts that will be affected by the new program efforts.</i></p>	<p>There is no projected replacement impact as Legal Aid organizations always have more demands for services than can be delivered.</p>	0%

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

SERVICE CATEGORY

**Consequential Long-Term Economic Impacts:
Housing Impacts**

CONSEQUENTIAL SOCIAL VALUE EFFECTS
Community Housing Impacts

BASIS REFERENCE	VALUATION	SOCIAL EFFECT TERM
A	\$150/month	360months

BASIS FOR VALUATION

A. Combination of housing support (direct payment or voucher) payments from multiple programs available with varying payment/time/eligibility levels.

CONSEQUENTIAL SOCIAL VALUE EFFECTS	Qty	VALUATION	SOCIAL EFFECT TERM	TOTAL CONSEQUENTIAL SOCIAL VALUE
Community Housing Impacts	13	\$150/month	36	\$70,200
Total GROSS Consequential Impact				\$70,200

**HARMONY PROJECT PHOENIX
BASIS FOR SOCIAL ECONOMIC IMPACT OUTCOME VALUATIONS**

Negative Impact Factors:	Negative Factor Valuation Basis	Percentage
<p>Deadweight</p> <p><i>Deadweight is defined as the likelihood of an outcome occurring regardless of the activity.</i></p>	<p>Based on individual case analysis results for previous projects concerning Foster Care and Kinship Family legal services in Texas, Alabama, Colorado, and Arizona plus consultation with four geographically separate court-appointed specialist attorneys.</p>	0%
<p>Attribution</p> <p><i>Attribution in the percentage of outcome results that are achieved through the efforts of other sources.</i></p>	<p>Projected values based on family, religious organization, change in family composition, or other social factors.</p>	0%
<p>Drop-Off</p> <p><i>Drop-off is the percentage impact of outside actions that prevent the long-term community economic impact from being fully realized (i.e. death, moving out of state, running away, or the failure of the outcome).</i></p>	<p>Combination of statistical analysis summary of Louisiana factors in multiple areas.</p>	3%
<p>Replacement</p> <p><i>Replacement is the amount of impact of existing efforts that will be affected by the new program efforts.</i></p>	<p>There is no projected replacement impact as Legal Aid organizations always have more demands for services than can be delivered.</p>	0%

HARMONY PROJECT PHOENIX - NEGATIVE IMPACT FACTORS

<u>IMPACT FACTOR</u>	<u>VALUATION BASIS</u>	<u>IMPACT</u>
<p>Deadweight Deadweight is defined as the likelihood of an outcome occurring regardless of the activity.</p>	<p>Projected impacts due to a combination of factors including the existence of multiple social programs with similar goals, the reduction in fixed attendance and economic requirements based on increased remote learning programs, and increased focus on STEM subject areas. <i>(Based on CSACO Nation Science Foundation 3-Year Community College Performance Analysis Project).</i></p>	10%
<p>Attribution Attribution is the percentage of outcome results that are achieved through the influence of other sources.</p>	<p>Projected impacts based on family education history, religious beliefs, changes in educational goals, and other factors.</p>	10%
<p>Drop-Off Drop-off is the percentage impact of outside actions that prevent the long-term community economic impact from being fully realized (i.e. death, illness, moving out of state, the failure of achieving</p>	<p>Combination of statistical analysis summary of Arizona factors in multiple areas.</p>	12%
<p>Replacemen Replacement is the amount of impact of existing efforts that will be affected by the new program efforts.</p>	<p>There are no projected replacement impacts.</p>	0%

The Social Return on Investment from the services provided by Harmony Project Phoenix.

Overview

The State of Arizona and many other governmental funding sources nationwide are reviewing their “Performance Measurement” processes, including metrics such as Return on Investment, Output and Outcome Measures, and Efficiency Measures, in an effort to improve efficiency, effectiveness and the delivered value of their multiple of community services and funding requirements and options. This report provides these measurement results to funding sources, stakeholders, and members of the community.

This analysis follows the basic structure, definitions, and procedures encompassed in the Social Value International internationally defined methodology. Additional input was taken from the New Economics Foundation study “*Measuring Real Value: a DIY Guide to Social Return on Investment*”, the Nonprofit Good Practice Guide, and various financial analysis tools and methods used in the private sector.

Scope of the Project

The process of developing this analysis included the identification of measurable benefits provided to the community by Harmony Project Phoenix as a result of their operations.

Many of the transaction statistics for these areas have historically been tracked by the staff and management of Harmony, but several areas were not. The personnel at Harmony are to be commended for researching these areas and providing accurate transaction information expeditiously.

The definitions of value to community are based on a variety of published sources where available, surveys of local cost when appropriate, surveys of State residents, and realistic formula calculations. These same methodologies have been used in multiple other educational, community services, health care, legal aid, and other SROI engagements and have been reviewed in detail by multiple organizations and outside researchers.

Conclusion

Based on a review of the Harmony Project Phoenix transaction records, internal reports, financial statements, reports submitted to various state and federal stakeholders, and the detailed analysis of values delivered to the community of the individual services provided by them, this report presents fairly the Social Economic Impact and Return on Funding Investment for Harmony Project Phoenix for the 2021-2022 school year .



John Byrnes
Principal
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